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S E C R E T SECTION 01 OF 03 SANAA 000269

SIPDIS

E.O. 12958: DECL: 02/05/2015

TAGS: [PREL](#) [PGOV](#) [PARM](#) [PTER](#) [YM](#) [COUNTER TERRORISM](#)

SUBJECT: COMBATING YEMEN'S GRAY MARKET IN SMALL ARMS AND LIGHT WEAPONS

REF: A. STATE 04 169075

[B](#). STATE 04 155749

[C](#). STATE 04 153555

[D](#). SANAA 04 2346

Classified By: Ambassador Thomas C. Krajewski for reasons 1.4 (b) and (d).

[1](#). (S) Summary. Yemen has one of the highest per capita rates of small arms and light weapons (SA/LW) in the world. It has been reported that, as a result of leakage or diversion, Yemeni weapons procured officially by the Ministry of Defense (MOD) have ended up in terrorist caches. In the past year, Post demarched President Saleh and senior officials numerous times on ongoing negotiations by Yemeni arms dealers to buy large amounts of SA/LW that exceed any legitimate defense procurement strategy. Our message has gone largely ignored. President Saleh and his top Generals use SA/LW as a currency to supplement personal fortune, dispense patronage to tribal leaders, compensate government officials, reward supporters, and appease potential contenders for power. Arms procured legitimately through the MOD acquisitions are parceled out to dealers, tribes, and local bazaars that feed the illicit arms flow north by land across the Saudi border and south by sea to Somalia and the Horn.

[2](#). (S) Summary continued. Since the forging of the U.S.-Yemen GWOT partnership, the ROYG has logged important cooperative and unilateral successes, the value of which should not be minimized. Nevertheless, ROYG CT cooperation runs parallel to influxes of USG military and development assistance. Any attempt to control the flow SA/LW into and through Yemen will be painful for Saleh who, to date, is convinced he can compensate for shortcomings in SA/LW control, with cooperation in other areas. The intent of this message is to provide options to demonstrate otherwise -- that the ROYG's poor control of its SA/LW and the resulting proliferation into terrorist hands is incongruent with the U.S.-Yemen partnership. Ultimately, the success of our CT cooperation with Yemen, and the seriousness of Saleh's friendship may well be tested. End Summary.

A Love of Weapons and A Tradition of Smuggling

[3](#). (S) Neither weapons nor smuggling are considered taboo in Yemen's gun-loving culture. Deputy Foreign Minister al-Dhabbi, for example, in response to demarche points on the dangerous proliferation of Yemeni SA/LW, cautioned that the right for households to own multiple AK-47s is as deeply entrenched as the right to bear arms is in the United States, and confided that he himself owns fourteen. Smuggling is considered a legitimate and prestigious career, and most common goods and electronics found in Yemeni shops are smuggled from Saudi Arabia. Ownership and smuggling of weapons are deeply rooted in Yemen's culture and provide Saleh with an effective currency to dispense patronage and to gain and maintain the loyalty of powerful tribal leaders, particularly those located in the northern region along the Saudi border who depend on income from arms smuggling.

An Acquisitions Process The Leaks

[4](#). (S/NF) Yemen legitimately procures weapons through a list of about 29 certified, independent arms dealers who shop the world with open-ended end-user certificates EUCs to buy weapons on behalf of the Yemen MOD. We are aware of numerous negotiations by such authorized brokers to purchase types and amounts of materiel that make no sense in terms of the size and requirements of the Yemen Armed Forces. Many of these deals involved large quantities of small arms and ammunition in excess of any logical national defense requirements. (Note: In August 2004, Yemeni traders attempted to buy SA-14s from Bulgaria (ref A). This information was particularly alarming given that this weapon is favored by terrorists in attacks against civil aviation, and the fact that Saleh told visiting PM A/S Bloomfield that Yemen did not require this class of weapons for its national defense. End Note).

[5](#). (S/NF) Everyone from President Saleh to high-level MOD officials, powerful generals, field commanders, and

multitudes of tribal Sheikhs receive a cut from these 'legitimate' arms sales. We believe that only about 25 percent of total weapons bought under Yemeni EUCs actual end up in official military stock, and that the arms broker's cut for each deal in an additional 25 percent. The remaining weapons are skimmed by senior MOD officials, military commanders, and parceled out to the tribes, eventually making their way into the black and gray market.

16. (S/NF) The 2003 Small Arms Survey placed the number of small arms in Yemen at six to nine million, many of which are fully-automatic assault rifles ideal for terrorist use. These are far more weapons than the 60,000-strong Yemen armed forces and other paramilitary and security forces reasonably require. Nevertheless, last month a prominent Yemeni dealer with a long history of diversion was discovered to be in the final stages of negotiating a deal to buy 10,000 AKMs (kalishnikov family weapons) from Serbia and Montenegro. Given Yemen's grand-scale corruption, armed tribal society, and already large existing stocks of SA/LW loose in Yemen, there continues to be a high risk that Yemeni-origin arms are readily available to private users including terrorist organizations.

A Motive to Act?

17. (S/NF) In the past year, Post and visiting senior U.S. officials have argued to President Saleh that preventing terrorists from acquiring SA/LW is a key element in the U.S.-Yemen GWOT partnership. There is some evidence that Saleh is beginning to see that a failure to better control the flow of SA/LW into and through Yemen could be dangerous to his regime. Recent confrontations between security forces and tribesmen in the Marib region over the public carrying of weapons shows that the ROYG is making some effort to address this issue.

18. (S/NF) Unexpectedly high casualties, and the difficulty of government security forces to quell quickly last summer's al-Houthi rebellion, shed new light on the dangers of a heavily armed society for Saleh. The President was reportedly enraged to discover that al-Houthi's forces were better equipped with more advanced weapons than government troops. It is also likely that Saleh now grasps the disastrous efforts on Yemen's international reputation and its aid prospects should Yemeni weapons be used in a major future terror attack. Judging from his lack of action, however, it is clear that in Saleh's cost-benefit analysis, regulation of SA/LW constitutes the greater threat to his political future.

19. (S/NF) Post has made clear that the USG is prepared to help with assistance in such areas as inventory control, border security, and defense acquisitions reform. The ROYG has indeed responded to offers of assistance in developing the Yemen Coast Guard (YCG) and the Central Security Forces-Counter Terrorism Unit (CSF-CTU), both important CT assets that, given the political will, could be used to combat arms smuggling. In areas where Saleh does not see a confluence of interests, cooperation is less than forthcoming. For example, the Minister of Defense rejected 500,000 USD in FMF funding to provide a defense inventory control system. In the case of a major USG border security assistance program, the ROYG has refused to share CT-related information it garnered from USG provided technology.

Who Controls Licensing?

10. (S/NF) In response to USG concerns about the reliability and validity of Yemeni end-user certificates (EUCs), in 2003 the ROYG announced to visiting Ambassador Bodine and NSC Deputy Townsend a new policy to cancel all current EUCs and transfer the responsibility of issuance to the MFA (ref D). Although this is now official ROYG policy, there is no evidence that any licenses were actually canceled, and MFA involvement, to the extent it exists at all, is merely a rubber stamp. Yemeni Embassies abroad, for example, are not allowed to have anything to do with arms procurement. The ROYG has not responded to several attempts by Post to elicit a response to a non-paper requesting information on Yemen's arms import/export system (ref C).

11. (S/NF) In an example of widespread corruption in the issuance of EUCs, Deputy Foreign Minister Mustafa Noman relayed an incident in which he received an envelope intended for the Deputy Foreign Minister for Administration. Inside was an EUC for an MP who chairs the Human Rights Committee allowing him to purchase ammunition and ready for MFA signature.

Solutions: Long Term

112. (S) A Long term solution to the SA/LW problem in Yemen would require a comprehensive strategy including fully developed maritime and land border security and tight control on official weapons stocks. Both these objectives present geographic and technical difficulties, ultimately surmountable with USG help. A comprehensive strategy, however, is doomed to failure unless Saleh is convinced it is in his interest. Denying the tribes their weapons requires a combination of cajoling, threatening and compensating for lost income. Without such a plan, there remains a of instability, tribal warfare, and ultimately a breakdown of national unity. Saleh will not develop the will to significantly alter course unless he is convinced that the cost of maintaining current practices outweighs the benefits currently being reaped.

U.S. Options

113. (S/NF) The ROYG is understandably fearful of a weapons embargo. Imposing an arms embargo as a first step, however, lowers a heavy stick without having benefited first from its use as a deterrent. An embargo also runs counter to USG CT assistance programs in Yemen, focused currently on the training of the YCG and the CTF-CTU. Both forces are equipped appropriately for their mission and are not major beneficiaries of weapons related corruption. Particularly in terms of Maritime Security, the YCG is in a position to increasingly partner with CTJF-HOA's CTF-55 and CTF-150 in patrolling coastal waters and deterring and interdicting illicit weapons smuggling.

114. (S/NF) To develop an arms embargo as a deterrent, the USG could demonstrate its willingness to shut down a deal, such as the Serbian deal for 10,000 AKMs, accompanied by a discussion with President Saleh on what has happened and why. Ambassador might present information on another potential deal and test Saleh's resolve to turn it off before we do (having already demonstrated that the U.S. will follow through). In such an exchange it would be hard for Saleh to continue to claim plausible deniability, as he has in previous demarches on particular weapons deals.

115. (S/NF) Interdiction of a ship smuggling illicit Yemeni SA/LW is another option to be pursued, with or without ROYG cooperation, by CTJF HOA. Scrupulous enforcement of international regulations governing what constitutes legal cargo could be employed to convince the ROYG we will not stand by and watch dangerous and destabilizing diversions. If the ROYG fully cooperates, the YCG (which on paper already owns this mission) could become a partner in enforcement, especially after the completion of a comprehensive radar grid around Yemen's coastal waters and the establishment of a joint U.S.-Yemen ops center to monitor shipping in the straits. Without ROYG cooperation, however, monitoring weapons smuggling whether by land or sea could prove a formidable, in not impossible task for the USG.

116. (S) Final Comment: As a friend and ally in the GWOT, Yemen leaves much to be desired. With a long history of fiercely independent tribes who thrive on smuggling and arms trades, Saleh has survived thus far by wheeling and dealing with friend and foe alike - a game he has mastered with remarkable skills. Adapting to the demands of a new powerful friend, the USG, and the exigencies of globalization and the GWOT, require of him a serious change in perspective. Our mission is to convince Saleh that his political well being requires that he adopt a brand new approach.
Krajeski